Rymer, Edwina

From: Dellinger, Philip

Sent: Tuesday, May 13, 2014 8:23 AM

To: Honker, William; Garcia, David; Brown, Jamesr

Subject: FW: DMN: After quakes, Texas Railroad Commission considers stricter rules on drilling

+ WFAA: Possible earthquake-fracking link outlined for Texas lawmakers

fyi

From: Casso, Ruben

Sent: Tuesday, May 13, 2014 7:49 AM **To:** Lawrence, Rob; Dellinger, Philip

Subject: DMN: After guakes, Texas Railroad Commission considers stricter rules on drilling + WFAA: Possible

earthquake-fracking link outlined for Texas lawmakers

After quakes, Texas Railroad Commission considers stricter rules on drilling

By JAMES OSBORNE
JAMES OSBORNE The Dallas Morning News
Staff Writer

josborne@dallasnews.com

Published: 12 May 2014 09:12 PM

Updated: 12 May 2014 09:48 PM

State oil and gas regulators are considering stricter rules for drillers after a series of earthquakes in North Texas less than six months ago.

Milton Rister, executive director of the Texas Railroad Commission, testified at a legislative hearing Monday that the commission was assessing how it regulates the underground wells used to store wastewater from drilling. He said the commission was waiting for more information and declined to offer further detail.

"A knee-jerk reaction could have a negative impact on our economy because of the large role the oil and gas industry plays here," he said. "I think the three commissioners are aware we need to make some adjustment ... but don't want to do something we all end up regretting a year from now."

The House Subcommittee on Seismic Activity took testimony Monday on what role the natural gas industry might have played in a series of more than 25 earthquakes around Azle beginning in November. The last significant event was recorded Jan. 28.

A team of scientists from Southern Methodist University has set up monitoring stations around the town to study the phenomenon. But earlier this year the university warned results could be years off.

Azle sits atop the Barnett Shale, one of nation's most productive natural gas fields.

Gas companies use underground injection wells to store the large volumes of wastewater that come out of the ground during drilling. For decades injection wells have been connected with induced seismic activity, prompting states like Arkansas to enact moratoriums.

So far Texas has avoided such action. But pressure is mounting from residents unnerved by the sudden occurrence of seismic activity.

"Our school district now conducts earthquake drills," Azle Mayor Alan Brundrette said at Monday's hearing.

The oil and gas industry could face considerable costs with new regulation. And already the Texas Oil and Gas Association has set up its own group to study the earthquakes.

"This group is in the process of developing standards for considerations related to disposal well siting and seismic activity," Deb Hastings, executive vice president of the association, said in a statement.

Scientists at SMU want to get access to the companies' logs of injection wells around Azle. Then they could see the volumes and pressure of the liquids being pumped underground.

Call for answers

The Railroad Commission sent out letters to seven operators last week, including XTO Energy and Devon Energy. They requested well logs, as well as seismic maps with the hopes of identifying underground faults.

Rister said the data was proprietary, and the companies did not want it becoming public.

"We all want to be respectful of industry's proprietary interest. Nobody expects anything to become open record," responded state Rep. Phil King, R-Weatherford.

During Monday's hearing, legislators repeatedly pushed the Railroad Commission to take charge of the inquiry.

No guarantee

But Craig Pearson, the commission's newly hired seismologist, said there was a chance they would never have definitive answers.

"I'm hopeful we'll be able to say we have studied this problem to the degree we can make a definitive statement on what caused the earthquakes," he said.

"I will not guarantee that. But that's what I hope."

Local News



Possible earthquake-fracking link outlined for Texas lawmakers



0

by TODD UNGER

Bio | Email | Follow: @toddWFAA8

WFAA

Posted on May 12, 2014 at 10:19 PM

http://www.wfaa.com/news/local/North-Texas-earthquake-fracking-link-brought-in-front-of-lawmakers-258926301.html

AUSTIN -- Texas lawmakers heard detailed testimony Monday about a possible link between fracking and an earthquake swarm that hit parts of North Texas this past winter.

The House Energy Resources Subcommittee on Seismic Activity heard from the mayors of both Azle and Reno, the two communities northwest of Fort Worth most impacted by the earthquakes.

Reno Mayor Lynda Stokes said in her remarks that the profit of oil companies shouldn't outdo the public good.

Just shy of 30 earthquakes of a 2.0 or higher magnitude hit the area between November and late February.

News 8 did a series of stories exploring a possible link to disposal well sites, where wastewater from fracking is pumped back into the ground.

The hearing comes as <u>SMU released an update on its study</u> of seismic activity in the area. The analysis says more than 300 small earthquakes have occurred in recent months. Some of the quakes originated within a mile of injection and disposal sites, according to the study.

State Representative Phil King said it's time the Texas Railroad Commission, which regulates the oil and gas industry, takes a lead in finding out the root cause of the quakes.

"I just want to make sure everyone gets into the same room and shuts the door if they need to and talks and gets through this," he said.

Commission staff testified that operators are only required to disclose yearly their injection volumes for disposal wells.

The commission recently fired off letters to seven operators of 13 disposal wells in the area asking for them to voluntarily disclose how much fracking fluid they are injecting back into the ground. The information could be critical to finding a correlation between the process and the earthquakes.

Dr. D. Craig Pearson, a seismologist recently hired by the commission in response to the earthquakes, said he hoped to know within "a year" what was behind the cluster.

On Friday, the EPA ironically announced plans to solicit public comment on enhanced regulations for fracking. Specifically, the agency is debating whether drillers should be forced to publicly disclose which chemicals they use in the fracking process.

Some commonly used compounds, like benezene, have been linked to cancer. Some oil companies voluntarily disclose which fluids they use.